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Planning for short term rental within New Zealand: a case
study of New Zealand District Councils regarding regulation
of the short term rental market.

A dissertation
submitted in partial fulfilment
of the requirements for the degree of
Master of Planning

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by
Emily McDonald

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New Zealand's tourism accommodation market is changing with a rapid increase in the number of short term rentals globally and in New Zealand over the last couple of years with the recent rise in web-based booking services such as 'AirBnB', 'Bookabach' and similar services. This dissertation investigates if local authorities within New Zealand view the increase in the short term rental market as an issue and, if so, what is being done to regulate the short term rental industry within New Zealand. Through the employment of qualitative research methods this case study was undertaken to assess three New Zealand Council's perceived view of short term rental accommodation, issues and effects, and current and proposed regulation of short term rental accommodation. The three councils that this dissertation assessed were the Mackenzie District Council, the Queenstown Lakes District Council and Christchurch City Council. It was found that all three councils perceive short term rental accommodation to be an issue within their communities, with current regulation considered inadequate and further regulation required. The perceived issues and effects of short term rental accommodation include, loss of residential amenity and character, fairness, and housing availability. This study provided an assessment of the current and proposed planning provisions and regulation available for short term rental accommodation with the research finding that district plans are able to regulate and monitor the short term rental accommodation industry. However, to successfully regulate the impacts and issues, further regulation is required through other planning provisions.

Keywords: Short-term rental accommodation, regulation, affects, effects, local government, councils, Queenstown Lakes District Council, Mackenzie District Council, Christchurch City Council, visitor accommodation, resource management, district plan.

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Abbreviations

CCC – Christchurch City Council

MDC – Mackenzie District Council

QLDC – Queenstown Lakes District Council

RMA – Resource Management Act 1991

LGA – Local Government Act 2002

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Chapter 1

Introduction

New Zealand's tourism accommodation market is changing with a rapid increase in the number of short term rentals globally and in New Zealand over the last couple of years with the recent rise in web-based booking services such as 'AirBnB', 'Bookabach' and similar services. This dissertation investigates if local authorities within New Zealand view the increase in the short term rental market as an issue and, if so, what is being done to regulate the short term rental industry within New Zealand. This paper presents and discusses the results.

1.1 Short term rental accomondation, a break down of the problem

Short term rental accommodation is defined as rental of a dwelling for less than 30 days at a time (American Planning Association, 2015). There has been a rapid increase in the number of short term rentals in New Zealand and globally with the recent rise in web-based booking services such as AirBnB and similar services (Guttentag, 2015). This dissertation proposes to investigate if local authorities within New Zealand view the increase in the short term rental market as something with which they should be concerned and what, if anything, is being done to regulate the short term rental industry within New Zealand.

This research will look at the historical context of short term rental accommodation within New Zealand, assess whether councils view this as an issue, and survey the current regulations that councils have in place. The research will also consider future policies and regulations by local government, which will be contributing to the short term rental accommodation market that Councils are proposing. This research is considered important to understand in what context New Zealand Councils view short term rental accommodation.

1.2 Research Objective and Questions

The main aim of this research project is to understand whether short term rental accommodation is viewed as an issue by Councils within New Zealand. If so what are the nature and characteristics of the issues, and what approaches to resolution are being muted, trialled, or adopted. The main objective of this research is to contribute to planning practice, specifically

in relation to the regulation of short term rental accommodation by district councils within New Zealand.

This objective has been further refined into the following research questions:

- Is the short term rental of residential accommodation viewed as an issue by local government within New Zealand?
- What are some of the perceived issues of short term rental accommodation?
- What regulations are currently being utilised to regulate short term rental accommodation?

In addressing the above research questions two research methods were utilised. These included a review of the relevant literature and research available, and the use of semi- structured interviews with planners from three district councils located within New Zealand. These research methods are explained further below.

1.3 Structure of Dissertation

The dissertation proceeds as follows:

Chapter 1 includes an introduction to short term rental accommodation, and outlines the research objective and questions.

Chapter 2 examines the relevant literature on short term rental accommodation, as well as providing a short overview of the legislation framework relevant to the dissertation. As much literature as possible was assessed to determine the existing knowledge of the short term rental market, any issues that are presented, and any subsequent regulation.

Chapter 3 examines the methodology used. It further expands the research methods including an examination of the case study approach as well as stating the limitations of the research.

Chapter 4 analyses the qualitative results from interviews conducted as part of this research, as well as combining all the information for each Council's stance on short term rental accommodation. The findings are divided up into sections for each council with subheadings

including current and future regulation of short term rental accommodation and perceived issues that each council has of short term rental accommodation.

Chapter 5 brings together the main ideas that were presented from the analysis of the findings from chapter 4 and compares the three councils.

Chapter 6 concludes the dissertation by presenting the case studies perceived stance of short term rental accommodation, the regulation of this activity, and provides recommendations for future research.

Chapter 2

Literature and Legislation Review

This research proposes to look into whether short-term rental accommodation is considered to be an issue by New Zealand Local Government and what is being done to regulate this relatively new industry. I am planning to review key areas of research, which are as follows: first I will look into the current context of regulating the short-term rental accommodation market, this will provide information into the rise in the short-term rental accommodation industry with the introduction of businesses, such as AirBnB, as well as an overview of the applicable New Zealand legislation that is relevant to the regulation of short term rental accommodation.

This section will also include literature defining what short-term rental accommodation is and how it can be differentiated from other accommodation, such as B&B accommodation and hotels. Secondly, this literature review will include an overview of some current short-term rental accommodation policies and research surrounding the regulation of short-term rental accommodation. Finally, this research will look into literature and previous research into the affects of short-term rental accommodation, including transient populations, effects on residential neighbourhoods, and perceived disruptions of short-term rental accommodation.

There are existing comprehensive literature reviews on the topic of short term rental accommodation, a concise review of the relevant literature was carried out to provide the necessary theoretical background for this research.

The types of literature comprised within this review can be categorised as the following:

- books, journal articles and reports published in reputable academic sources
- newspaper articles, opinion pieces, and websites

The use of sources not commonly viewed as strictly academic such as newspaper articles, opinion pieces, and websites was utilized as the subject of short term rental accommodation of residential properties within New Zealand is a particularly relevant media topic at the present time

The purpose of this review was to critically analyse currently available information to define the overall aim of the research, and to form the research objectives and questions. As much literature as possible was assessed to survey the existing knowledge of the short term rental market, any issues that are presented, and any subsequent regulation.

2.1 Defining short term residential accommodation

For the purposes of this research, short term rental accommodation is defined as rental of a dwelling for less than 30 days at a time (American Planning Association, 2015). However, there are several other definitions available for short term rental accommodation, these include Guttentags (2015) reference to it as an ‘informal tourism accommodation sector’.

The Queenstown Lakes District Council Proposed District Plan (Bowbyes, 2018) proposes to define short term rental accommodation as residential visitor accommodation, with the definition referring to the use of privately owned residential dwellings for a short term, by fee paying short term visitors to the district where the length of stay is less than three months.

2.2 The rise in AirBnB and other short-term rental accommodation businesses

There has been a rapid increase in the number of short term rentals in New Zealand and globally with the recent rise in web-based booking services such as AirBnB and similar services (Guttentag, 2015). AirBnB is the most prominent internet-based company that permits ordinary people to offer tourism accommodation. AirBnB allows three types of properties that are listed on the website for rent. These are shared rooms, private rooms, and entire self-contained units of housing (AirBnB, 2018). AirBnB was founded in 2008, however they did not become fully functional until 2011 when the company saw rapid growth and established itself as the leading online provider of short term rental accommodation.

AirBnB and other short term rental accommodation is considered to be cheaper than traditional accommodation such as hotels and motels (Guttentag, 2015). This rise in AirBnB and other short term accommodation providers is often referred to as a market disruption innovator as this is a process through which a disruptive product transforms a market, sometimes to the point of upending previously dominant companies. While the rise in short term rental accommodation has not upended the market completely, it has transformed the market by introducing the

concept of sharing economies to the accommodation industry (Sthapita & Jimenez-Barreto, 2018).

2.3 Effects of short-term rental accommodation

There is limited literature investigating the positive and negative effects of short term rental accommodation. However, the literature that does exist assesses the effects of short term rental accommodation on the amenity and character of residential neighbourhoods and the commercial accommodation sector. These effects are discussed below under the appropriate headings.

2.3.1 Effects on residential neighbourhoods

Short term residential accommodation such as AirBnB has enabled tourism and visitors to 'penetrate' residential neighbourhoods (Gurran & Phibbs, 2017) with frequent letting of short term rental accommodation changing the use of residential properties to commercial.

Gottlieb's (2013) concerns with short term rental accommodation on residential neighborhoods are related to the impacts on neighborhood character, the minimization of nuisances such as noise, and exacerbating traffic and parking problems. However Pindell (2009) and Gurran & Phipps (2017) found that residents within these residential neighborhoods were more concerned about the increased presence of visitors in the neighborhood, rather than tangible noise or nuisances complaints. Significantly, the complaints are not about noise or outrageous behavior, but merely the perception that new people are occupying a residential unit within the residential neighborhood each week which brings a feeling of unease and insecurity with the neighborhoods safety (Gurran & Phibbs, 2017).

Jordan and Moore (2017) explain that a sense of community is created through participating in community events and regularly interacting with neighbors. Therefore, visitors staying in short term rental accommodation are not likely to contribute as much to the community due to the transient, short term nature of their stays. Short term rental accommodation is also reducing the amount of individuals within a community that could potentially participate in creating this sense of community as this is potentially taking the place of longer term residents.

2.3.2 Effects on the commercial accommodation sector

Leshinsky and Schatz (2018) claim that the short term rental accommodation sector has heavily disrupted established housing and tourism industries, as AirBnB and other short term residential accommodation providers participate in the ‘sharing economy’, which is often characterised as a form of ‘disruptive innovation’ as it is considered to be the most disruptive tourism innovation of recent times by creating a new form of competition within the accommodation sector (Koh & King, 2017).

Contrary to this view, some believe that short term rental accommodation expands the tourism and accommodation sector rather than directly competing with hotels and the formal accommodation industry for the same customers (Guttentag, 2015). Koh and King (date) support this theory as their research has found that as tourism is growing rapidly worldwide, and short term rental accommodation is just providing an alternative means of accommodation and diversifying the accommodation industry.

While it is considered to be inconclusive as to whether short term rental accommodation merely complements the traditional accommodation industry, such as hotels, by attracting a different type of tourist or poses a threat it is considered necessary to undertake further research into the impacts of short term rental accommodation on the accommodation sector as currently most research is based around assumptions.

2.4 Short term rental accommodation policies and regulation

There is very little literature available around the regulation of short term rental accommodation as this is considered to be a relatively new issue, with AirBnB and short term rental accommodation only considered an issue since 2011 (Guttentag, 2015). There is some debate that short term rental accommodation creates unfair competition as there is a lack of regulation around this nontraditional form of accommodation with property owners not subject to the same regulatory standards and taxation as the traditional accommodation sector such as hotels (Lashley & Nutsch, 2016). Rauch and Scheicher, as cited by Sawatzky (2016), note that local governments do not have a long and extensive history of regulating short-term rental accommodation such as AirBnB. However, there are considered to be strong political and

economic incentives to regulate this industry.

The American Planning Association (2015) explains that communities can address short term rental accommodation in their town planning legislature through licensing and zoning requirements, with typical standards often requiring property owners to obtain short-term rental permits and business licenses, require potential nuisance issues such as noise and parking to be addressed. Regulation of short term rental accommodation is considered to be important as it allows this local economic activity to occur while mitigating any potential negative impacts. As Pindell (2009) notes, short term rental accommodation regulations “typically aim to protect the aesthetic tranquillity and quality of life of neighbourhoods”.

There are considered to be challenges in regulating and monitoring short term rental accommodation, this includes time consuming and expensive enforcement, of an activity that is considered difficult to detect due to the complex nature of the activity (Leshinsky & Schatz, 2018). Short term rental accommodation is difficult to detect as addresses are not advertised, and companies such as AirBnB have historically been unwilling to cooperate with councils and local authorities. Many areas encourage short term rental accommodation providers to volunteer compliance, however this is often met with confusion from short term rental accommodation providers.

2.5 Relevant New Zealand planning legislation

In New Zealand, planning and management is shaped by legislation. This section briefly outlines the legislation relevant to planning for short term rental accommodation. The Resource Management Act 1991 (1991), the New Zealand Building Act 2004 (2004), and the Local Government Act 2002 (2002) are considered to be the three main relevant national legislature, with District Plans also considered relevant legislation to the regulation of short term rental accommodation.

2.5.1 The Resource Management Act 1991

The Resource Management Act 1991 (RMA) is New Zealand's main environmental management legislation. The RMA outlines a number of planning functions including the requirement that territorial authorities have a district plan at all times. The RMA is also

responsible for directing the use of resources and whether a resource consent is required for proposed activities. The purpose of the RMA is to:

Promote the sustainable management of natural and physical resources. In the Act, sustainable management means managing the use, development, and protection of natural and physical resources in a way, or at a rate, which enables people and communities to provide for their social, economic, and cultural well-being and for their health and safety while:

- a) sustaining the potential of natural and physical resources (excluding minerals) to meet the reasonably foreseeable needs of future generations; and:*
- b) safeguarding the life-supporting capacity of air, water, soil, and ecosystems; and:*
- c) avoiding, remedying, or mitigating any adverse effects of activities on the environment (Resource Management Act 1991, 1991).*

Proposed development is also required to recognise and provide for the relevant matters of Sections 6 and 7 and to represent a sustainable management of the land resources and achieve the purpose of the Resource Management Act 1991.

2.5.2 The Local Government Act 2002

The Local Government Act 2002 (LGA) is the overarching local authorities act that provides the general framework, obligations, restrictions and powers under which local authorities operate (Quality Planning, n.d). The Local Government Act is considered important legislation to the regulation of short term rental accommodation as local governments are tasked with regulation of this activity within New Zealand. The purpose of the LGA is to enable local governments to “exercise a broad role in promoting the social, economic, environmental, and cultural well-being of their communities both in the present and for the future.” (Edmonds, 2015). The LGA enabled local governments to become almost entirely responsible for their communities.

- c) when making a decision, a local authority should take account of -*
 - i) the diversity of the community, and the community's interests, within*

its district or region; and

ii) the interests of future as well as current communities; and

iii) the likely impact of any decision on the interests referred to in subparagraphs (i) and (ii):

g) a local authority should ensure prudent stewardship and the efficient and effective use of its resources in the interests of its district or region, including by planning effectively for the future management of its assets; and

h) in taking a sustainable development approach, a local authority should take into account—

i) the social, economic, and cultural interests of people and communities; and

ii) the need to maintain and enhance the quality of the environment; and

iii) the reasonably foreseeable needs of future generations (The Local Government Act 2002, 2002)

The overall purpose of the LGA is to provide a democratic and effective local government that recognises New Zealand's communities and their diversity (The Local Government Act 2002, 2002). The LGA also requires that local authorities provide adequate frameworks for activities such as short term rental accommodation.

2.5.3 The Building Act 2002

The New Zealand Building Act 2004 sets out the requirements for buildings in New Zealand (Building Act 2004, 2004), with standards set for buildings and associated activities. The purposed of the Building Act is:

“to provide for the regulation of building work, the establishment of a licensing regime for building practitioners, and the setting of performance standards for buildings, to ensure that

(i) people who use buildings can do so safely and without endangering their health; and

- (ii) *buildings have attributes that contribute appropriately to the health, physical independence, and well-being of the people who use them; and*
- (iii) *people who use a building can escape from the building if it is on fire; and*
- (iv) *buildings are designed, constructed, and able to be used in ways that promote sustainable development”* (Building Act 2004, 2004)

Territorial authorities such as District and City Councils are responsible for administering the Building Act.

2.5.4 Regional and District Plans

The Resource Management Act 1991 requires territorial authorities to create Regional and District Plans. Operative Regional and District Plans are considered a valid, complete, and certain planning document, and must give substance to the principles in Part 2 of the RMA as required by *Environmental Defence Society Incorporated v New Zealand King Salmon* [2014] NZSC 38, [2014] 1 NZLR 593 and *R J Davidson Family Trust v Marlborough District Council* [2018] NZCA 316, 21 August 2018.

A district plan is required to include objectives, policies, and rules to ensure the sustainable management of resources within the district to which it relates. In addition, a district plan generally includes planning maps that zone land within the district to assist in directing or restricting certain types of development within particular areas.

2.6 Gaps in knowledge

As previously discussed, there are gaps in the literature and knowledge surrounding short term rental accommodation and the regulation of this emerging industry. There is a lack of adequate research and discussion around the success and failure of the regulation of short term rental accommodation. There is also little understanding of all of the possible effects of short term rental accommodation. Further investigation of the costs and benefits of short term rental accommodation on not just residential neighbourhoods and commercial entities, but the wider community is needed.

2.7 Literature review conclusion

The above chapter contains an overview of international literature to establish the methods that are currently available to be used for the regulation of short term rental accommodation. This chapter also discusses the perceived issues and effects of short term rental accommodation as presented and discussed in literature. An overview of legislature considered relevant to the regulation of short term rental accommodation is also provided. There is ongoing discussion in international literature regarding the best practise and approach to monitoring and enforcing short term rental accommodation, however it is clear that regulation is important to manage the effects of short term rental accommodation.

Chapter 3

Methods

3.1 Introduction

This dissertation aimed to investigate the regulation of the short term rental accommodation markets within three New Zealand districts. This research will study the approach of three different New Zealand Councils to short term rental accommodation. These Councils have been selected to represent low, medium, and high tourism densities compared to the size of the community (Simmons, 2005). Christchurch City Council was selected as this district has relatively low tourist density compared to its high population, Mackenzie District Council, with its medium tourism density and relatively small population, and the Queenstown Lakes District Council with its high tourism density. These Councils have been chosen as the different levels in tourism may result in changes in the levels of demand for short term rental accommodation and may impact how the council responds to this pressure.

3.2 Methodology

This chapter outlines the qualitative methodology used in conducting this research and provides a brief background of each of the participants from whom information was collected. The chapter provides a rationale for undertaking a case study approach and utilising semi-structured interviews.

3.3 Case Study Approach

The research investigated three different New Zealand Councils handling of short term rental accommodation within their districts. A multi-case study approach was undertaken in order to allow for an in-depth examination of a phenomenon that is guided by research questions. According to Gerring (2004) “a case study produces research that investigates a single phenomenon, instance, or example”. There are considered to be many positives, according to Yin (2003) research from case studies has the ability to provide an in-depth understanding of a

case, leading to findings in relation to real-world behavior. However, there are considered to be some limitations to case studies. According to Gerring (2004) and Stake (2006) case studies can be affected by the number of people involved, by common characteristics, or by a certain geographical area, and that the central focus of the case is generally an individual, a group, or a community. The case study approach was deployed as the best means to answer the overarching questions pertaining to this research. This is because the issue under investigation requires in-depth knowledge and data from specific individuals or groups who were directly involved with New Zealand Local Government and the regulation of short term rental accommodation. It is noted that the research is informed by the examination of professional documents and news documents in addition to the findings from the case study and interviews.

The case study for this dissertation is three different District Councils located within New Zealand. In selecting the case study councils for this research, a broad criterion was established to ensure the chosen facility was able to adequately address the research questions. The criteria used are outlined below:

- Different levels of permanent and temporary populations
- Demand for short term rental accommodation
- Previous issues with short term rental accommodation
- The unique character and challenges of their specific region

3.4 The process

Data collection was from two main sources. The research utilised publicly available documents including public submissions, governmental and non-governmental reports, and research articles, as well as news articles and reports. Additionally, semi-structured interviews with experts and professionals from each council were undertaken in order to gain each councils perspective and stance on short term regulation and what is being done to regulate this market. Appendix A contains the questions that were asked during the interviews.

3.4.1 Ethics

A discussion with Grant Tavinor, Chair of Lincoln Universities Human Ethics Committee, indicated that ethics approval was not necessary as the interviewees were providing knowledge in a professional capacity.

3.4.2 Interviews

To help build a professional point of view, interviews were undertaken with planners from the three district Councils, these were QLDC, MDC and CCC. These interviews were undertaken to understand the planning side and the professional points of view to help build a picture of whether the Councils view short term rental accommodation as an issue. Semi-structured interviews were used because they provided a connection between the formal planning side to the more informal community side. Therefore, both perspectives would be gathered.

Personal contacts within councils were utilized to find participants who were ideally suited and placed for interviews. Interviewees were contacted via email or phone to ask for permission to be interviewed. A series of questions were sent through to them if consent was gained. Even though questions were sent through, other questions were sometimes raised during the interviews. The interviews were recorded and transcribed for further analysis. Interview transcripts were then memo-ed, identifying emerging themes and interesting points. In this case, data collection and analysis essentially took a snowball effect and informed each other.

Those interviewed and quoted within this research are as follows:

Interviewee A - Rachel Willox, Resource Management Planner, Mackenzie District Council

Interviewee B - Alison McLaughlin, Senior Policy Planner, Christchurch City Council

Interviewee C - Amy Bowbyes, Senior Planner, Queenstown Lakes District Council

3.5 Limitations

This research was limited by time and resources as the regulation of short term rental accommodation is a current and changing issue. All district plans have not been completely reviewed as all three councils are currently undertaking district plan reviews and the establishment of new operative district plans. This impacted the ability of plans to be analysed

until they had been completely reviewed and become operative. I was not able to fully analyse proposed district plans after September 2018 as this was the cut off date I set for my resources, therefore there may have been changes to planning documents after September 2018 however this have not been included in the results and findings of my case study. As this is considered to be an emerging issue there is very little research available into this issue which limited my literature review.

Chapter 4

Results

4.1 Introduction

This chapter sets out the results of the interviews and analysis of available documents. The chapter summarises the findings obtained during the research under the research objectives. The key findings are summarised with the discussion of them in the following chapter. This chapter presents the results and findings from the case study. The case study includes two District Councils and one City Council. This chapter summarises the three Councils regulation of short term rental accommodation, perceived issues of short term rental accommodation, and future initiatives proposed for the regulation of short term rental accommodation.

4.2 Mackenzie District Council

The Mackenzie District is New Zealand's third smallest territorial authority that in 2006 had a normal resident population count of 3,801 (Mackenzie District Council, 2018) and only rose to 4,158 residents in 2013 (South Canterbury Chamber of Commerce, 2018). This is a population increase of 9.3% over seven years. In contrast to its small population, the area of the district is large, comprising 745,562 hectares. The settlements of Fairlie, Lake Tekapo, and Twizel are the main towns, and there are also smaller villages: Albury, Kimbell, Burkes Pass, and Mount Cook.

Mackenzie Districts economy is built on, and continues to be dominated mainly by, farming, tourism, and hydro-electric development. Lake Tekapo and Mount Cook are international tourist icons. These tourism features are internationally renowned and major tourism draw cards, with \$303 million of tourism spending reported within the district by the end of the financial year in April 2018 (Quinlivan, 2018).

In January 2017 AirBnB's website listed 233 rentals in the Mackenzie District (Hudson & Cropp, 2017) and this has continued to grow. In September 2018 there were over 350 listings on AirBnB with 306 of this listings for full houses to be rented out as short term rental accommodation (AirBnB, 2018).

4.2.1 Current regulation of short term rental accommodation

The Mackenzie District Council's plans and rules does not currently contain any rules or regulations regarding short term rental accommodation. However, the Mackenzie District Plan defines visitor accommodation as 'the use of land and buildings for short-term, commercial, living accommodation where the length of stay for any one visitor is not greater than 3 months at any one time. Visitor accommodation may include some centralised services or facilities, such as food preparation, dining and sanitary facilities, conference, recreation and bar facilities, and associated parking areas for the use of those living on the site' (Mackenzie District Council, , 2004). This visitor accommodation definition includes all forms of visitor accommodation and does not differentiate between traditional forms of visitor accommodation, such as hotels and motels, with untraditional forms of accommodation, such as homestays, or whole-home short-term rental.

The majority of the Mackenzie District is zoned Rural where the planning rules regarding visitor accommodation are relatively simple and permissive. The District Plan's rural zoning permits visitor accommodation of up to 20 people at any one time within the rural zone, provided that the building complies with the standards 3.1.1 a-n Standards. These standards include building height, setback from roads, setback from neighbours, access, sites of natural significance/scenic viewing/scenic grasslands and high altitude areas, riparian areas, airport noise setback, lakeside protection area, flood mitigation, flood erosion risk within the Kimbell area, boat accommodation, flight protection areas (Mackenzie District Council, , 2004).

The Mackenzie District residential zoning includes Lake Tekapo, Twizel, and several other townships. There are four residential zones, this includes Residential 1, 2, 3 and 4 Zones. The District Plan permits visitor accommodation within Residential 1, 3 and 4 Zones as long as it complies with the following standards, height and flood mitigation, building coverage, boundary setbacks, landscaping, and continuous building length. Buildings for visitor accommodation require different setbacks and site coverage than buildings for residential use. However, there is much confusion as to which standards apply when both activities are contained within one site. Visitor accommodation within Residential 2 Zones must comply to the same standards as Residential 1, 3 and 4 Zones. However, there are also requirements

relating to design and appearance the visitor accommodation must comply with within Residential 2 Zone (Mackenzie District Council, , 2004).

The main areas that the Mackenzie District Council uses to regulate visitor accommodation within the region is through parking requirements. The Mackenzie District Plan (Mackenzie District Council, , 2004) requires a minimum of one car park be provided per 5 guests. Therefore, if you comply with this car parking requirement then the site is permitted to accommodate six people.

Resource Consent is required if the development proposes to accommodate more than the permitted number of people. However, the Mackenzie District Council is finding this hard to regulate, as not everyone applies for resource consent and this is difficult to police (Willox, 2018). The Council is currently investigating this issue and they are considering employing an enforcement officer. Part of this enforcement role will include identifying people that are renting out short term accommodation without resource consents.

As the planning rules in the Mackenzie District Plan are considered to be very permissive regarding short term rental accommodation one way in which the Mackenzie District Council is trying to regulate this form of accommodation is through consent conditions. Although the Council is not permitted to completely restrict or prevent any of the residential development of short term rental accommodation they can condition consents (Willox, 2018). These consent conditions include having to keep a record of the amount of guests, such as a guest register, that the Mackenzie District Council can request to review at any time. This is to ensure that they are only providing for what they have been allowed to under their consent as a permitted activity. The Council is also putting conditions on in terms of only having one group of people at a time renting a residential unit. This is to try to limit the rental of individual rooms.

4.2.2 Proposed/ future regulation

The Mackenzie District Council proposes to introduce regulation of short term rental accommodation in the future. However, currently there is nothing proposed. During my interview with Rachel Willox (Willox, 2018), a planner from Mackenzie District Council, she expressed firmly that she hoped the Council would start looking into regulation when their new planning manager began, and could give further direction to them towards the end of 2018 when

the District Plan is reviewed. However, at this stage, the Mackenzie District Council and its planners are not sure what those rule changes will look like and nothing has been decided.

4.2.3 Key issues of short term rental accommodation within the Mackenzie District

Short term rental of residential properties is considered to be one of the regions fastest growing issues, especially in the districts two major towns Twizel and Tekapo. The Councils believe that Tekapo is the key area where short term rental accommodation is actually affecting the people the most.

From the interview with Mackenzie District Council Planner Rachel Willox (2018), and additional investigation of publicly available information regarding short term rental accommodation, there were two main issues that were presented. These were housing affordability, and loss of community and residential amenity. Willox considers both these issues to be interconnected as increased land and house prices, as well as living costs, have resulted in a housing affordability problem within the Mackenzie District. The housing affordability issues have resulted in people being unable to afford to live in the Mackenzie District anymore and moving away. This has been one of the contributing factors of loss of community and residential amenity. One of the major community losses is the loss of families and school children. This is due to families moving because they can not afford to live in the area anymore. Rachel Willox emphasized during our interview that because people are using the housing within the Mackenzie District for commercial business purposes, such as short term rental accommodation, there is a reduction in the availability of long term rental accommodation and that is preventing families living within the district.

While the Mackenzie District Council believes that short term rental accommodation is considered to be an issue within the region, the council has also acknowledged that tourism is a huge benefit to the community and its economy. Balancing short term rental accommodation with the community's needs is the council's main priority (Willox, 2018).

4.3 Queenstown Lakes District Council

The Queenstown Lakes District Council of the Otago Region is made up of two major towns, Queenstown and Wanaka, and then several smaller towns including Luggate, Hawea, Glenorchy, Kingston and Arrowtown. In 2006 the Queenstown Lakes District was reported as having a permanent normal population of 22,959, which increased by 22.9% to 28,224 in 2013 (Queenstown Lakes District Council, 2018). With the areas growth predictions indicating a continual rise in the areas population to approximately 44,093 residents by 2031. The Queenstown Lakes District has New Zealand's highest growth rate with the population rising by an average of 2.2% a year (McDonald C. , 2012).

The Queenstown Lakes District economy was originally developed from farming and gold mining. Agriculture is still a contributor to the district economy, however tourism is considered to have overtaken this and become one of the region's biggest economic contributors. Tourism within the Queenstown Lakes District is considered to be one of the fastest growing sectors in New Zealand. For the year up until April 2018 \$2.8 billion of tourism spending was reported within the district, an 80% rise compared to five years ago within the region (Heyes, 2018). To accommodate this large tourism sector, Queenstown has a disproportionate share of this market, with 14% of houses across Queenstown and Wanaka listed online for short stays, compared to the countries average of approximately 1.2% (Tunstall, 2018). This is approximately 2700 homes within the Queenstown Lakes District that are listed as AirBnB properties (Yardley, 2017).

The Queenstown Lakes District does have a high number of holiday homes that are not able to be rented out full time by their home owners as they are used irregularly by the homeowner as a vacation home. These homes are sometimes let out for short term rental accommodation. However, the district has seen a rise in the purchase of investment properties that are being let full time for short term rental accommodation and are being run as a business (Bowbyes, Dissertation interview, 2018).

4.3.1 Current regulation of short term rental accommodation

The Queenstown Lakes District Council's current Operative District Plan (Queenstown Lakes District Council, 2017), as of September 2018, provides for the short term rental of residential units at several different levels. The Queenstown Lakes District Council requires properties to be registered with the Council as a holiday home before it can be rented out as short term rental

accommodation (Queenstown Lakes District Council, Using your residential property for paying guests, 2017).

The short term rental market within the Queenstown Lakes District is considered to be rather complex. Therefore, there are several different options available for the regulation of short term rental accommodation. The Queenstown Lakes District Council's Operative District Plan permits the short term rental of residential units for a minimum stay of three nights, for up to 90 nights per year as long as the property is a registered with the QLDC as a registered holiday home. The property will be subject to a rates increase of 25- 35%, however will not be required to apply for resource consent or comply with additional regulations (Queenstown Lakes District Council, Using your residential property for paying guests, 2017). This increase in properties rates is not required if the let is limited to one let of no more than 28 days per year.

A resource consent is required if the dwelling is let for less than three nights a stay, or if the properties individual lets exceed 90 days in a year (Queenstown Lakes District Council, Using your residential property for paying guests, 2017). As well as applying for a resource consent to approve the proposed short term rental accommodation, building consent is required to approve a change of use within an existing residential dwelling to visitor accommodation. This will also trigger additional development contributions charge and an increase in property rates. Property that is let out for short term rental accommodation for up to 180 days a year will experience an increase in property rates by 25-35%, while a property that's individual lets equate to more than 180 days will see a rates increase of 50-80%.

The Queenstown Lakes District Council requires registered holiday homes to keep a record of all lets, that the activity complies with relevant laws and regulations, that smoke alarms are installed and maintained to fire fighting standards, and that at least one car park for guest use is available at all times.

There have been recent developments in Queenstown Lakes District Councils regulation of short term rental accommodation with the notification of stage two of the QLDC's Proposed District Plans visitor accommodation provisions in 2017. This proposed regulation is discussed further below in Section 4.3.2.

4.3.2 Proposed/ future regulation

Stage one of the Queenstown Lakes District Councils 2016 District Plan review proposed variations to short term rental accommodation. These proposed changes were to the amount of nights that were permitted for a dwelling to be let out over a year (Queenstown Lakes District Council, 2016). Stage 1 proposed that short term rental accommodation was only permitted for up to 28 days each year within most zones. A resource consent is required for up to 180 days of lets within a year, as this is proposed to be a controlled activity. The proposed district plan also suggested to class letting out a dwelling for over 180 days a year as a noncomplying activity that would require resource consent with tougher rules and standards to comply with. This was met with heavy objection from the Queenstown Lakes District Communities with changes released in 2017 to this during stage two of the proposed district plan (Queenstown Lakes District Council, 2018).

Stage 2 of the Proposed District Plan was released in 2017 and introduced plan provisions that were tailored to managing the adverse effects of short term rental accommodation of residential units (Bowbyes, Section 42A report of Amy Bowbyes on behalf of the Queenstown Lakes District Council; Visitor Accommodation, 2018). As with stage 1 of the proposed district plan, stage 2 proposed a reduction of the permitted 90 nights occupancy to 28 nights that would be limited to three individual lets a year. The proposed district plan also provided a definition for short term rental accommodation to enable activity to be easily defined and complied with. This definition referred to the activity as Residential Visitor Accommodation and is ‘when the whole house is used by short term fee paying guests’ (Queenstown Lakes District Council, 2017).

The proposed district plan was met with considerable backlash from the Queenstown Lakes District, with a total of 4984 submissions received regarding the proposed district plans visitor accommodation provisions (Bowbyes, Section 42A report of Amy Bowbyes on behalf of the Queenstown Lakes District Council; Visitor Accommodation, 2018). These submissions were heard at the Queenstown Lakes District Council’s proposed district plan hearings in September and October 2018. Council planner, Amy Bowbyes, recommended several further changes to these provisions, including raising the amount of nights permitted for a residential unit to be let for short term rental accommodation to 42 separate nights a year, and removing the rule that only permitted three separate lets a year (Bowbyes, Section 42A report of Amy Bowbyes on behalf of the Queenstown Lakes District Council; Visitor Accommodation, 2018).

The Queenstown Lakes District Council's proposed district Plan is still being appealed with no decision released on the plan's visitor accommodation chapter. However, as shown above, the council does propose to introduce further regulation of short term rental accommodation in the near future.

4.3.3 Key issues of short term rental accommodation within the Queenstown Lakes District

The Queenstown Lakes District Council has identified two key issues in the context of short term rental accommodation. These are the impacts of residential amenity and cohesion, and safeguarding the Queenstown Lakes District housing supply (Bowbyes, Dissertation interview, 2018). These perceived issues have led to the Queenstown Lakes District Council proposing to introduce stricter regulation of short term rental accommodation within the area which is discussed in the prior sections.

The Queenstown Lakes District is considered as having some of New Zealand's worst housing affordability (Bowbyes, 2018), with Queenstown becoming one of the least affordable places to live in New Zealand (Williams, 2017). The area's average house price equates to 12.67% of an average household income within the Queenstown Lakes District. This has led to households supplementing their incomes by renting out rooms short term as homestays. The Council does not regard this as contributing much to the housing affordability within the district, and is instead focussing on the short term rental of whole residential units. Approximately 14% of the Queenstown Lakes District's housing stock is let for short term accommodation with the majority of these being whole housing (Yardley, 2017). The residential units that are rented out for short term rental accommodation are considered to be removing houses from the long term rental market, which is creating a housing shortage for long term accommodation.

The short term rental accommodation market is also thought to be affecting the residential amenity within the Queenstown Lakes District as this is considered to be a commercial operation being undertaken within a residential zone (Bowbyes, Dissertation interview, 2018). Brown (2017) also discussed how people are feeling uncomfortable as "they are effectively living next to a hotel and are concerned that their residential areas are turning into de-facto

commercial zones”. This is introducing transient populations to residential areas that are more suited to long term residential activities. The principle method that the Queenstown Lakes District Council uses to regulate development is through the District Plans use of zones. The zoning mechanism ensures that commercial activities are contained within commercial zones, and residential activities are contained within residential zones. However, the rise in short term rental accommodation has allowed for commercial and business activities to be undertaken within residential zones.

Due to the issues discussed above the Queenstown Lakes District Council feel that is important to regulate and manage short term rental accommodation as these activities can adversely affect residential amenity and cohesion, and housing affordability.

4.4 Christchurch City Council

Christchurch City Council is the governing body of Christchurch and the wider Banks Peninsula, located in New Zealand’s South Island. Christchurch’s area is 148,300 hectares with approximately 20% of this area zoned for urban use (Council, Facts, stats and figures , 2018). In 2013, Christchurch had a population of 341,469 people, this population is slowly rising after the 2010 and 2011 Canterbury earthquakes as the city rebuilds itself. The 2010/2011 earthquakes are considered to have affected Christchurch visitor and tourism numbers, but this industry is showing strong signs of recovery (Council, Tourism and visitors , 2018).

The Canterbury earthquakes almost completely decimated Christchurch’s formal accommodation industry with approximately 60-70% of formal accommodation lost after the earthquakes, informal accommodation such as short term rental accommodation was important to fill the hole in the market during this time. However, the Council considers the accommodation industry to almost be back to where it was pre-earthquakes (McLaughlin, 2018).

In 2017, approximately 20% of accommodation within Christchurch was booked through AirBnB and other online short term rental accommodation providers. With 1471 entire homes within Christchurch listed as available as short term rental accommodation in 2018, a figure that rose from 114 in 2016 (Hayward & Law, 2018).

4.4.1 Current regulation of short term rental accommodation

The Christchurch City Council's District Plan contains provisions for the regulation of short term rental accommodation with rules varying depending on location, zoning and type of accommodation (Christchurch City Council, 2018). The short term rental of residential housing within a residential zone requires a resource consent, as it is not a permitted activity in the District Plan. The Council has tried to encourage visitor accommodation to occur within commercial zones, or zones where guest accommodation has traditionally been located in the Central City and its periphery. A resource consent is required for short term rental accommodation within residential housing to enable the effects to be assessed and ensure that the proposed activity is appropriate for the location.

4.4.2 Proposed/ future regulation

There have been calls for heavier regulation of Christchurch's short term rental market, and this is currently being investigated by the Council (McLaughlin, 2018). This includes the possible introduction of commercial rates to houses rented out full time as short term rental accommodation. As well as this rates scheme, there is the possible introduction of building code requirements that will have to be met to permit the short term rental of residential dwellings.

Council Planner Alison McLaughlin (2018) also proposed that in the future this issue needs to be handled at a national level by central government, as well as at local levels by councils and territorial authorities. McLaughlin supports this, as currently the council is having little success liaising with short term rental accommodation providers such as AirBnB. However, McLaughlin believes the New Zealand Government would have far more "push back" with these providers.

4.4.3 Key issues of short term rental accommodation within Christchurch City

The Christchurch City Council does view short term rental accommodation as a growing problem and are currently investigating ways to regulate this. The council views it as a problem in two main areas, fairness for the commercial industries and zones, and residential amenity.

Short term rental accommodation is perceived by the Christchurch City Council as having negative effects on a residential neighbourhood's character and amenity, as well as affecting residential neighbours. This is because short term rental accommodation is considered to be a commercial activity taking place in a residential environment (McLaughlin, 2018). For this reason, the resource consent process is considered important as it enables these effects to be assessed and a decision made about whether a proposed rental accommodation activity is appropriate in particular locations (Christchurch City Council, 2018). The short term rental accommodation market within residential communities is also perceived by the council as reducing relationships within communities and neighborhoods. This is because instead of a residential unit containing full time permanent resident's year round, it may regularly contain different people creating security issues as well as reducing the residential amenity of the neighborhood.

The Council also listed fairness on the commercial accommodation sector and zones as another perceived issue. Short term rental accommodation was considered an important and helpful accommodation tool after the Canterbury earthquakes when the area lost approximately 60-70% of formal commercial accommodation including hotels, motels and holiday parks. However, Christchurch is almost back to its formal accommodation levels before 2010 and can now better cater for the accommodation market (McLaughlin, 2018). The commercial zones are also better set up for accommodation and its activities in terms of access to the service industry, whereas short term rental accommodation may be located within residential neighborhoods that will require additional travel from guests. This can create further traffic and transport demand. There has also been much publicity and opposition from Christchurch's commercial accommodation sector regarding the fairness of rates costs creating an 'unequal playing field' (Truebridge, 2018). Currently, the council charges business and commercial rates of an additional 66% on top of the general rates charges, which short term rental accommodation within residential zones is not currently being charged. Christchurch's commercial accommodation sector believes that short term rental accommodation is considered a business therefore it should be rated as such.

Overall the Christchurch City Council perceives short term rental accommodation within Christchurch City council to have a variety of different issues, with fairness on the commercial sector and effects on residential amenity to be the most important.

Chapter 5

Discussion

5.1 Introduction

The main objective of this study was to examine if short term rental accommodation is viewed as an issue by New Zealand councils. This chapter discusses the findings of this study. The findings will be compared to the existing body of literature by bringing together the objectives of the research with the findings of chapter 4. The discussion is framed around the following headings, current short term rental accommodation regulation, issues, monitoring and enforcement, and government intervention.

5.2 Planning and the regulation of short term rental accommodation

All three councils have some degree of regulation of short term rental accommodation in place already. However, all three councils are not satisfied and propose to introduce further regulation.

While Mackenzie District Council's rules are considered to be very permissive, with Queenstown Lakes District Council's rules regarded to be some of the more detailed, with even further regulation proposed. All three councils regulate short term rental accommodation through district plan rules and standards. These district plans are required by the Resource Management Act 1991 and the Local Government Act 2002 to mitigate adverse effects while taking into account the communities current and future interests. While all three councils use district plan provisions to regulate short term rental accommodation, the Queenstown Lakes District Council has additional provisions. These additional provisions include the requirement for registration of properties with the Council that operate as short term rental accommodation, and additional rates charges.

All three councils propose to introduce further regulation of short term rental accommodation. It appears that Queenstown Lakes District Council is the leading regulator with new regulations currently proposed through its proposed district plan. This plan is in the process of hearings and appeals. It is unclear if this process has been accelerated and addressed earlier than in other

areas of New Zealand because of the perceived impact of short term rental accommodation within the Queenstown Lakes District or whether the proposed district plan brought the issue to light.

Also of concern according to Gurran and Phibbs (2017) is the inability to adequately plan for this untraditional forms of tourism accommodation such as short term rental accommodation, as traditionally land use planners require tourism accommodation to have regard to for following aspects such as

- opportunities to spatially cluster tourist facilities and services
- the management of traffic, including parking and road hierarchy
- disposal of waste, and capacity of other service within the area
- building and urban design requirements to attenuate noise and privacy impacts;
- appropriate fire, safety, emergency, and disability access requirements;
- likely levels of occupancy and any potential for overcrowding (Gurran & Phibbs, 2017)

The informal and untraditional nature of short term rental accommodation is considered difficult to plan for as it does not easily allow councils and its planners to plan for the above criteria.

Another issue that was raised around regulation was that New Zealand's Building Act 2004 (2004) also requires traditional accommodation to meet standards. However, these same standards are not currently required to be met by most short term rental accommodation providers. Not only does this pose an issue regarding fairness, which is discussed further below, it also poses questions regarding the safety of visitors and guests utilising short term rental accommodation.

5.3 Issues

There are a multitude of perceived issues that the councils have raised regarding short term rental accommodation. However, the main issues that were presented through investigation of the available information, literature, and from my interviews were:

- loss of residential amenity
- fairness

- safeguarding housing supply

5.3.1 Loss of residential amenity

All three councils listed loss of residential amenity as an issue that short term rental accommodation of residential properties presented, with Rachel Willox from Mackenzie District Council explaining that they did not want to lose the community feeling, as they were seeing a decrease in the amount of people living in the already small community, which is causing a decrease in the areas schools enrolments and participation in community activities. This was further emphasised by Amy Boybyes from QLDC who explained that the transient populations within residential neighbourhoods and zones was creating a loss of community's residential amenity, which was also supported by Christchurch City Council's Planner Alison McLaughlin. Gurran and Phibbs (2017) believe that the threshold of when residential amenity is considered to be affected is when a residential unit is let for more than 90 days per year, as this is the point when the property can no longer be considered for residential purposes and must be viewed as a commercial activity.

Short term rental accommodation is considered to be a commercial business by Leshinsky and Schatz (2018) as this is changing a residential property to commercial tourism accommodation. This change of land use within a residential zone is considered to change the zoning rules (Gurran & Phibbs, 2017) as according to the Queenstown Lakes District Council the residential zoning provides for the use of land and buildings by people for the purpose of permanent residential accommodation (Queenstown Lakes District Council, 2017).

5.3.2 Fairness

The issue of short term rental accommodation is partly to do with fairness. Why should the traditional accommodation sector, such as hotels, be required to meet business requirements, such as additional business rates and building standards, while short term rental accommodation providers are not having to meet these higher standards and are typically only paying residential rates? Christchurch City Council has cited that there is an "unequal playing field" between the traditional accommodation sector and the short term rental accommodation. This is because the Christchurch City Council charges businesses a rate differential of "plus 66 per cent on the general rate" to accommodation business, whereas no properties providing "informal short-term

guest accommodation" are known to be paying business rates (Truebridge, 2018). Therefore, the Christchurch City Council is proposing in the future to introduce higher rates to properties operating as short term rental accommodation to try and create an even playing field.

The Queenstown Lakes District Council is the only council from the case study that already charges additional rates to residential properties that operate as a short term rental accommodation business. This additional rates charge is because the Queenstown Lakes District Council believes that tourism within areas zoned specifically for residential development puts an additional strain on the residential zones infrastructure.

The traditional accommodation sector also raises the point that "commercial accommodation is required to be built to a certain standard to ensure the safety of the travelling public and allowing the proliferation of unregulated providers endangers the whole tourism sector" (Hudson & Cropp, 2017), as currently there are not considered to be adequate standards set for short term rental accommodation. It is also argued that short term rental accommodation providers are taking advantage of regional and district tourism marketing that the traditional commercial accommodation industry and local government is funding.

Short term rental accommodation has created a new form of competition within the accommodation sector. Traditional forms of accommodation such as hotels are having to compete against this new form of accommodation (Koh & King, 2017). However, I do not consider this to be a relevant planning issue as, apart from making the playing field even by ensuring that short term rental accommodation has to meet appropriate levels of standards and compliance, it is up to the traditional accommodation industry to stay competitive not local government.

5.3.3 Safeguarding housing supply

The Mackenzie and Queenstown Lakes Districts are both considered to be holiday destinations containing a large number of holiday homes that are not used full time by their owners. As these homes are often considered to be underutilized and unable to be rented out full time it makes sense for these properties to be used for short term accommodation. However, according to Queenstown Lakes District Council planner Amy Bowbyes (2018) and Mackenzie District Councils planner Rachel Willox (2018) there is a growing trend of purchasing properties in

these areas as an investment to be let out full time for short term accommodation. It has been reported that property owners are able to make a considerable amount more letting out properties short term than long term (Williams, 2017). This has been highlighted by both Mackenzie District Council and Queenstown Lakes District Council as impacting the housing crisis, as this is removing properties from the communities housing pools that could have been available for long term rent by people within the community instead of renting short term to visitors to the area.

District Councils are required to zone an adequate amount of land through the district planning process to sufficiently cater for residential and business activities within the district, for this to happen the Council is required to anticipate future growth and trends (Bowbyes, 2018). The Queenstown Lakes District is considered to have some of the worst housing affordability issues within New Zealand, with high house prices, as well as high living costs have resulted in the area having to not only zone land to meet these capacities but also introduce urban planning initiatives to safeguard the residential supply for residential activities. One of these initiatives will be short term rental accommodation rules that will be introduced when the Queenstown Lakes District Councils proposed district plan becomes operative.

Short term rental accommodation is considered to have an affect on housing affordability and availability, as according too Gurran and Phibbs (2017) even the smallest changes in rental stock can materially affect rents, causing increases and decreases in rent and housing prices. This is seen most dramatically in the Queenstown Lakes District where properties that have previously been available for long term rental have now been removed from the market to be used for short term rental accommodation, this has resulted in a supply shock and lead to upward pressure on long term rental accommodation rents.

5.3.4 Benefits of short term rental accommodation

While there are considered to be multiple issues and negatives to short term rental accommodation, there are several positives that should not be neglected, Amy Bowbyes Section 42A Planners report (Bowbyes, Section 42A report of Amy Bowbyes on behalf of the Queenstown Lakes District Council; Visitor Accommodation, 2018) emphasized that short term rental accommodation makes positive contributions to the Queenstown Lakes District's economy by providing home-owners with an alternative income to offset high housing costs.

The benefits of offsetting high housing costs was also raised by Mackenzie District Council planner, Rachel Willox, who discussed the need to support and supplement members of the community's income.

The provision of short term rental accommodation also provides alternative accommodation for visitors. For instance, an option for large groups and families to all stay together (Bowbyes, Section 42A report of Amy Bowbyes on behalf of the Queenstown Lakes District Council; Visitor Accommodation, 2018). This increase in accommodation options is supported by Worner (McDonald L. , 2017) as "we know there are lots of different types of travellers, who require different types of accommodation and this growth is obviously filling a need". Therefore, short term accommodation is fulfilling a previous underserved market and demand.

In conclusion, there are considered to be some benefits to this new form of accommodation that can have economic and benefits on the community. These benefits also need to be considered by councils when placing regulation around short term rental accommodation.

5.4 Monitoring and enforcement

All three councils have raised monitoring and enforcement as issues within the regulation of short term rental accommodation as it is considered to be a difficult activity to monitor, and the enforcement of existing planning rules and requirements even harder. They have all found it hard to regulate this industry as websites such as AirBnB do not advertise the address of the short term rental accommodation just the location. This can allow short term rental accommodation providers to try and dodge registration requirements as they can be hard to locate and track, and sometimes difficult to even prove that a dwelling is used for short term rental accommodation. Therefore, if a short term rental accommodation provider chooses not to register their business activities with the council this can go unchecked. In 2017, the Queenstown Lakes District Council launched an investigation led by council's enforcement officers to catch unregistered holiday homes that were being let for short term rental accommodation (Williams, 2017). This crackdown was considered to be time consuming and expensive, and is only believed to have caught a small portion of the district's unregistered short term rental accommodation providers.

The Mackenzie District Council is considered to be a small council with only six planners employed, and no enforcement officers. Currently, monitoring and enforcement of short term rental accommodation activities falls to the council's limited number of planners to do. However, this is not their role within the council and is not considered to be an efficient use of their time. The Mackenzie District Council is proposing to employ an enforcement officer soon. The role of the enforcement officer will include the monitoring and investigating properties undertaking short term rental accommodation within the area. However, I believe that this enforcement officer will just meet the same hurdles that both Queenstown Lakes District Council and Christchurch City Council have found. To ensure that short term rental accommodation rules are followed further education is required for both the councils and the communities with stronger consequences.

5.5 Government intervention

Alison McLaughlin (2018) from Christchurch City Council proposed the idea of intervention and assistance from New Zealand's central government to assist with the regulation of short term rental accommodation and the perceived issues. McLaughlin believes that central government will have greater success liaising and working with the short term rental accommodation services, such as AirBnB, as currently local government is having little success.

An example of a countries central government assisting with the regulation of short term rental accommodation is Japan. In 2017 Japan legalised short term rental accommodation by amending the Japanese Hotels and Inns Act. These new laws in Japan require AirBnB and other short term rental accommodation hosts to register their listing with the government. This registration gives the host a license number that must be displayed on their listing page. If a short term rental accommodation provider does not register with the government the company is forced to cancel existing bookings and deregister them from online booking services until compliance is obtained (Deahl, 2018).

5.6 Conclusion

It can be concluded that all three councils within this case study deem short term residential accommodation to be an issue, with all three councils proposing further regulation and

initiatives to manage the perceived effects of the activity on the districts communities.

Chapter 6

Conclusion

6.1 Conclusion

The main aim of this research was to better understand how councils within New Zealand are regulating the short term rental market. This dissertation can conclude that there is currently some regulation of short term rental accommodation within all three councils through District Plan rules and requirements. This research examined the current regulation of short term rental accommodation in particular focusing on local authority's regulation of this industry under the Resource Management Act 1991 and Local Government Act 2002 required District Plans. The case study discussed the importance of regulation of short term rental accommodation to manage the effects of short term rental accommodation.

All three Councils view short term rental accommodation as a growing issue that requires further regulation and enforcement to ensure that there are no negative impacts on communities. Additional to District Plan rules, the Councils are regulating short term rental accommodation through building code, additional policies, and rates schemes. However, investigation undertaken through this dissertation highlighted that regulation of short term rental accommodation within all three districts is considered to be inadequate to appropriately police the short term rental accommodation industry.

Short term rental accommodation has a large variety of effects and issues that the case study areas have identified include affecting residential amenity, fairness to commercial businesses, and even affecting New Zealand's housing supply and availability. While all three councils were able to accept that short term rental accommodation introduced issues to the area, there is considered to be a lack of overall understanding of how to address these issues and effects. To effectively manage and regulate short term rental accommodation, all the issues and effects of the activity would need to be addressed and resolved. If effects are unable to be resolved, then they need to be managed to reduce the impact on the surrounding community.

The regulation of short term rental accommodation is currently managed under the Resource Management Act 1991 through District Plans. However, regulation of short term rental accommodation can be managed further through New Zealand's Building Act. As while this, the RMA aims to reduce the effects that activities have on the environment. It could be

considered that the Building Act (BA) is appropriate for managing short term rental accommodation as the BA manages building standards, as well as focusing of health and safety. Both legislatures enable guidance at a national level for local government, therefore it should be considered that regulation of short term rental accommodation from both forms of legislature would be appropriate. This management of short term rental accommodation at a national level aligns itself with Christchurch City Councils planner Alison McLaughlin who believes that the issues of short term rental of residential accommodation need to be looked at from a national level, with government intervention required to appropriately regulate the short term rental accommodation industry.

6.2 Further research

As has been shown in this research, there appears to be questions remaining in relation to many aspects of the effects of short term rental accommodation, whether regulation of it is required, and how to effectively regulate short term rental accommodation. Particularly, the breadth of longitudinal research. It is recommended that further research be undertaken to investigate the effects of short term rental accommodation, both empirically and theoretically. Further research may also examine the effectiveness of the regulation of short term rental accommodation.

Additional questions arise of whether short term rental accommodation should be managed under the Building Act in the future or continued to by planners under the Resource Management Act 1991.

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Appendix A

Interview Questions

- Is short term rental of residential properties viewed as an issue by your district council?
- What tools are being used to regulate short term rental accommodation currently within your district council?
- Is your council proposing to introduce any further regulation of short term rental accommodation within your district?
- What are the reasons for regulating short term rental accommodation within your district?
- Who is it affecting?